

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy and Power
Hearing on “Evaluating the Role of FERC in a Changing Energy Landscape”
December 5, 2013

(As Prepared for Delivery)

America's energy picture is rapidly changing, and America's energy regulators must keep pace. Long-held beliefs in American energy scarcity have given way to a new era of energy abundance, especially in regards to oil and natural gas. But many policies and attitudes are still rooted in the outdated assumptions of shortages and rising imports, with the potential to obstruct the opportunities before us. And FERC is in the middle of many of these debates.

For example, America's new abundance of oil and natural gas requires new infrastructure to meet demands and keep prices affordable. And we must build this architecture of abundance quickly, given that America's oil and gas output has been rising each year and is straining the existing infrastructure.

But nearly every new project is met with stiff resistance at every step of the process. Opponents are enabled by an archaic federal regulatory process that can be manipulated to cause years of delays for pipeline, power line, and LNG export projects, and in some cases can block them outright. While the process at FERC generally works well, there is room for improvement. Canada, Australia, and most European Union nations have deadlines for their environmental regulatory agencies to act; why shouldn't the U.S. hold our agencies to a similar standard?

Congress has been active to keep pace with the new energy landscape. The House recently passed H.R. 1900, a bipartisan bill that creates more accountability for the natural gas pipeline approval process. We will soon be considering other infrastructure measures as well, including a bill I have co-authored with Gene Green to bring more certainty to energy projects that cross our border with Canada or Mexico to help create a more robust and self-sufficient North American energy market.

American energy holds tremendous potential – for millions of jobs and for affordable energy prices for everyone from homeowners to small businesses to manufacturers. The U.S. is also the proud global leader in the safe and responsible development of our resources. The prospect of LNG exports not only means jobs in the U.S., but it also means improved relations with our allies and trading partners and enhanced standing around the world.

But none of these benefits can be achieved if America's energy is choked off by red tape, which is precisely why we are examining certain FERC policies today.

I look forward to working with the commission and welcome Acting Chairwoman LaFleur and all of the commissioners before the committee. I look forward to a constructive dialogue and process as we move into 2014 and the years ahead.

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